BRITISH COLUMBIA
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BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca | *Issue: 09-23* | *June 12, 2009*

- **Value of BC's exports fall 4.5% in April**
- **Housing starts in BC down 73.7% in May**
- **Just under half of British Columbians volunteered in 2007**

The Economy

- **The value of BC exports fell (-4.5% *seasonally adjusted*) in April.** A sharp drop in exports of industrial & consumer products (-17.2%), particularly to countries other than the US, was the largest contributor in this most recent decline in the provincial total. Since peaking at $785 million in August 2008, exports of industrial & consumer goods have dropped dramatically (-42.8%). Shipments of energy (-1.5%), agriculture & fishing (-0.5%) and machinery & equipment (-0.4%) products slipped marginally while forestry exports were slightly higher (+0.9%) in April. The increase in forestry product exports was the first in six months.

  Exports destined for locations south of the border fell for the sixth straight month, falling 2.3% in April. Slumping forestry (-5.8%), energy (-4.7%) and machinery & equipment (-3.2%) shipments were all contributing factors in the decline.

  Data Source: Statistics Canada & BC Stats

Housing

- **Housing starts in BC's urban centres continued to tumble in May dropping 73.7% from the same month in the previous year.** This put the current level of housing starts at lows not seen since March 2001. Nationally, urban starts have slid 46.1% as declines were posted in every region with BC (-73.7%) posting the largest decrease and Quebec (-22.9%) recording the smallest.

  Data Source: Canada Housing & Mortgage Corporation

- **On a year-over-year basis, selling prices for new homes in BC dropped 8.8% in April leaving the New Housing Price Index at 113.3 (1997=100).** This decrease was entirely due to a reduction in the price of houses themselves as land prices remained virtually unchanged. In BC's two largest cities, prices continued to fall as both Vancouver (-9.0%) and Victoria (-7.0%) posted year-over-year declines.

  Data Source: Statistics Canada

- **The number of homes sold in BC via the Multiple Listing Service® (MLS®) rose 2.8% (to 8,270) in May compared to the same month a year earlier.** This marks the first year-over-year increase registered in residential sales since December 2007. Undoubtedly contributing to the increase in home sales, average listing prices continued to slip, albeit at a much less dramatic rate than was recorded earlier in the year. In May, the average price for a home listed on the MLS® fell 2.6% to $465,139.

  Data Source: BC Real Estate Association

Volunteering

- **Just under half (47%) of British Columbians aged 15 years and older volunteered their time and skills to charitable organizations and not-for-profit organizations in 2007.** While the share of the population engaged in volunteer activities is largely unchanged from 2004 (45%), the actual number of volunteers rose 7.8% to 1.7 million. However, these volunteers are donating fewer hours as the average number of volunteered hours per year shrank (-13.6%) from 199 in 2004 to 172 in 2007. Volunteer rates were highest among those that held a university degree (59%), earned more than $100,000 per year (60%)

Report | Migration Review 2008

Did you know...

In 2007, British Columbians donated over $1.4 billion to charity and spent more than 292 million hours engaged in volunteer activities.

Data Source: Statistics Canada

and were active members (weekly attendants) of a religious organization (73%).

On the national level, nearly half (46%) of Canadians were involved with volunteer activities in 2007. The number of volunteers rose 5.7% to 12.5 million while the average annual amount of time donated remained virtually unchanged at 166 hours. The highest volunteer rates were found in Saskatchewan (59%), Yukon (58%), PEI (56%) and Nova Scotia (55%) where more than half of the population reported involvement in volunteer work, while the lowest rate was found in Quebec (37%). *Data Source: SC Cat. No. 71-542-X*

Environment

- **The amount of carbon dioxide (CO_2) equivalent greenhouse gas emissions from agriculture (not including energy use) increased 25% or 12.4 megatonnes (Mt) between 1990 and 2006.** As a share of total Canadian production of greenhouse gasses, agriculture accounted for 9% of all emissions. Of the 62.0 Mt of greenhouse gases produced by agriculture 56% was from nitrous oxide (NH_3), largely resulting from the use of nitrogen-based fertilizers, and 44% was from methane (CH_4), resulting from the digestive processes of livestock. Factors contributing to the increase include the expansion of both the beef cattle and swine farming industries.

  Data Source: SC Cat. No. 16-201-X

- **When it comes to households, a major source of emissions is the preparation of food which resulted in the production of 45.7 Mt of CO_2-equivalent greenhouse gases in 2003.** Roughly one-quarter (23%) of food-related emissions were created as a result of preparation of fresh and frozen meat, one-fifth (20%) from dairy and eggs and one-tenth (10%) from fresh fruits and vegetables. Fish preparation produced just 2% of food-related greenhouse gases. *Data Source: SC Cat. No. 16-201-X*

The Nation

- **Canadian exports fell 5.1% to $30.8 billion (*seasonally adjusted*) in April with both prices (-3.2%) and volumes (-1.9%) shrinking.** Imports, however, dropped 1.5% to $31.0 billion, leaving the country with a small trade deficit (-$179 million), the third posted since December. The combined effects of a contracting trade surplus with the US (from $3.4 billion to $2.8 billion) and a sharp decline in exports to the EU (-16.6%) was largely responsible for the country's trade deficit.

  Data Source: Statistics Canada

- **Capacity utilization, the ratio of an industry's actual output to its potential output, slid to 69.3%, down 10.5 percentage points between the first quarters of 2008 and 2009.** Manufacturers (-14.2 percentage points), especially makers of transportation equipment (-35.0 percentage points) made sharp cuts to production in-line with declines in demand. On the non-manufacturing side, capacity use in the mining industry dropped to just 55.3%, an 18.1 percentage point decrease from the previous year. The oil & gas extraction sector, however, slowly increased production as capacity utilization rose 0.7 percentage points to 78.6%. *Data Source: Statistics Canada*

The World

- **The trade deficit in the United States widened, climbing 2.5% to $29.2 billion USD in April as the decline in the value of US exports (-2.2%) was greater than the decrease in imports (-1.4%).** The widening of the trade deficit was entirely the result of the growing deficit in the trade of goods (+2.2%) which, despite a rally in shipments of food & beverages (+4.1%), was reflected in decreased exports of industrial supplies (-5.6%) as well as consumer goods (-3.9%), capital goods (-3.4%) and automobiles & parts (-2.7%).

  Data Source: US Bureau of Economic Analysis

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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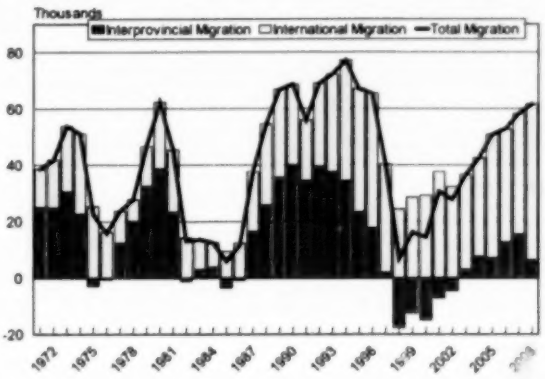
Migration Highlights Issue 2008-4

Migration Review 2008

In the 2008 calendar year the population of British Columbia grew by 73,773 persons (1.7%) to reach 4,419,974 as of January 1st, 2009. Almost three quarters of this growth, 55,109, came from net international migration, while net interprovincial migration contributed 6,405 people. The remaining growth can be attributed to the excess of births over deaths (i.e. natural increase). Overall, migration flows brought more than 129,000 people into the province while nearly 68,000 left.

Figure 1: British Columbia Total Net Migration



Over the past four decades migration has directly added more than half a million people to the provincial population. Despite some low points in the mid-1980s and late 1990s/early 2000s, migration has been the main driver of year-over-year population change. Despite some volatility, interprovincial migration was the primary component of population growth until the late nineties. However, since interprovincial migration dropped off in 1998, international migration has continued to increase and in 2008 accounted for almost 90 percent of the net gain from migration. While net exchange of persons from the rest of Canada is again positive, it is more modest than that experienced in previous decades.

It is important to note that the international and interprovincial components of migration have different drivers. International migration is less influenced by near term economic circumstances and is a longer process, often taking years. Also, an immigrant's choice of residence has much to do with the community and settlement resources available. On the other hand, interprovincial migrants face no regulatory barriers to movement and are largely driven by employment opportunities and other social and economic factors. A better understanding of British Columbia's recent population change and near term prospects can be had by examining these components of migration in turn.

International Migration

Net international migration to British Columbia is driven largely by federal policy with respect to immigration. The federal government sets an overall annual immigration planning level range for Canada. These planning levels are not intended to be rigid quotas and actual immigration may exceed the range. In 2008, the planning range for 2009 was set at 240,000 to 265,000 immigrants, the same range as the previous two years.

The planning ranges listed in Table 1 show a steady increase since 1995. The actual levels of immigrant arrivals display more variability, with a significant dip in 1998 and 1999. B.C.'s share of the immigrant arrivals also fell off sharply in 1999. Examining Figure 1 shows that in the mid-1990s there was a sharp rise in the share of immigrants to Canada coming to B.C., with a return to more historically consistent levels by the end of the decade. This was largely due to the lead-up and conclusion of the handover of Hong Kong to China in 1997.

Table 1

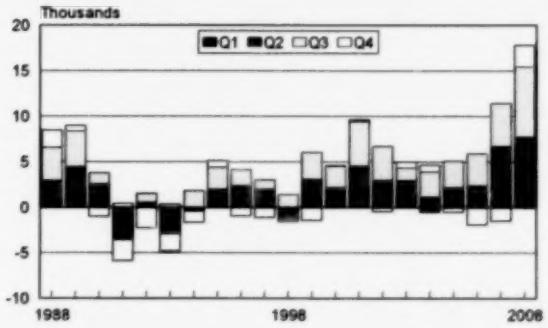
Year	Planning Level (000's)	Actual (000's)	B.C. Share (%)
1995	190-215	213	21.0
1996	195-220	226	23.0
1997	195-220	216	22.1
1998	200-225	174	20.7
1999	200-225	190	19.0
2000	200-225	227	16.5
2001	200-225	251	15.4
2002	210-235	229	14.9
2003	220-245	221	15.9
2004	220-245	236	15.7
2005	220-245	262	17.1
2006	225-255	252	16.7
2007	240-265	237	16.5
2008	240-265	247	17.7
2009	240-265		

Canada admitted 247,241 immigrants in 2008, well within the planning range. Of those, 17.7 percent, 43,793, came to B.C. Most who arrive in B.C. choose the Lower Mainland as their home, due in part to the established immigrant communities and concentration of settlement resources.

Figure 2: British Columbia Immigration

One particularly interesting aspect of international migration in 2008 is the high levels of net non-permanent residents (NPRs). NPRs include foreign citizens in Canada as students, temporary workers, and refugees. In 2008 B.C. recorded a net increase of 17,801 NPRs, its largest growth ever. This brings the total number of NPRs residing in B.C. as of January 1st, 2009 to 117,950.

Figure 3: British Columbia Quarterly Net NPRs



Temporary workers accounted for nearly all of the increase in net NPRs in 2008, with 16,388 more temporary workers than the previous year. Alberta also experienced a large increase in net NPRs during 2008 (+23,860), again due almost entirely to temporary workers (+22,244).

Part of this increase can be attributed to changes in federal policy towards temporary foreign workers. For many workers, the length of time they can stay in Canada has been extended[1]. Naturally, with individuals staying longer, sustained flows of new foreign workers will lead to increased overall levels. The longer period also makes temporary workers a more desirable and viable option to employers facing labour shortages.

Additionally, despite current worries about economic outlook, through most of 2008 many B.C. industries were doing well. As it takes time to bring in foreign workers, these large numbers may be the result of a slight lag. The current economic outlook is more pessimistic and it seems likely that as the

[1] Numerous changes in 2007 including an extension to the maximum duration of work permits for those in the Low Skill Pilot Project from 12 to 24 months.

economy slows, it will become easier for employers to find qualified Canadians. Similarly, before recruiting temporary foreign workers, employers are required to demonstrate that there is an insufficient supply of Canadian workers. Higher unemployment rates will make this more difficult.

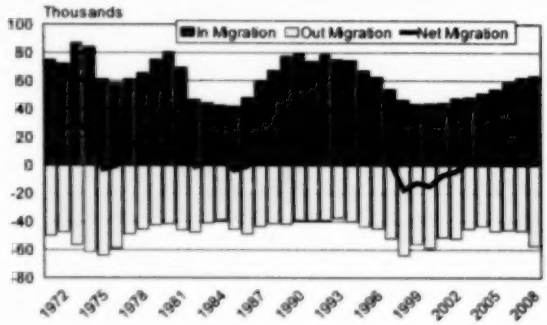
Interprovincial Migration

Since the 1970s, movement between British Columbia and other parts of Canada has fluctuated. For the most part, this variation can be explained by push and pull factors that either attract or repel residents. These factors include cultural, political, and economic characteristics that change the relative desirability of the province.

Net interprovincial migration to British Columbia was strong through most of the 1990s, and then experienced a steep drop in 1998, not returning to positive territory until 2003. This was a period when B.C. lagged behind the rest of Canada in GDP growth and had greater unemployment, especially compared with neighbouring Alberta. Since this decline the level of net migration has steadily recovered, reaching over 15,000 in 2007. However, this level fell to just under 6,500 in 2008. Despite a slight increase in inflows to the province during 2008, Figure 4 illustrates that a larger increase in outflows caused a reduction in net interprovincial migration.

Migration to and from Alberta and Ontario accounts for about three quarters of B.C.'s interprovincial flows. As a result, the strength of B.C.'s economy relative to these two provinces is very important. Recent forecasts predict that the effects of the global economic downturn will be spread across all parts of Canada. While this may not be great news for B.C., the shared downturn should help mitigate any effect on net interprovincial migration in the near-term.

Figure 4: British Columbia Annual Interprovincial Migration



Another consideration is that in January of 2008 B.C. reported a 2.8 percent increase in employment compared with the same month of 2007. In contrast, there was an employment decrease of 1.8 percent in January of 2009 compared with 2008. Figures from other recent months indicate that this is indeed a downward trend. As employment contracts, B.C. may have more difficulty attracting migrants from other parts of Canada and current residents will consider opportunities elsewhere. However, as long as the relative position of B.C. remains positive, migrants will continue to flow west of the Rockies.

Conclusion

British Columbia saw robust growth from migration in 2008. International migration continues to be the major source of growth. Regulatory changes likely caused levels of net non-permanent residents to briefly rise, yet there is reason to believe that those same regulations will lead to a sustained, smaller increase due to reductions in barriers to recruiting temporary foreign workers. With resident outflows to other provinces rising, interprovincial migration showed signs of weakening, yet in the short-term the net level will depend on how the provincial economy fares relative to the rest of Canada, and in particular Alberta and Ontario.

Infoline

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BC at a glance . . .

POPULATION (thousands)	Jan 1/09	% change on one year ago
BC	4,420.0	1.7
Canada	33,504.7	1.2
GDP and INCOME (Revised Apr 27)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	199,214	3.5
GDP *($ 2002 millions)*	164,161	-0.3
GDP *($ 2002 per Capita) (reflects revised pop)*	37,466	-1.9
Personal Disposable Income *($ 2002 per Capita)*	26,110	3.3
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Mar	2,755	1.4
Merchandise Exports - Apr	2,111	-4.5
Retail Sales - Mar	4,266	-1.4
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Apr 2009)	one year ago	% change
BC	0.3	2.1
Vancouver	0.4	2.3
Victoria	0.4	2.0
Canada	0.4	2.1
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	May '09	prev. month
Labour Force - BC	2,443	0.3
Employed - BC	2,259	0.1
Unemployed - BC	185	2.6
		Apr '09
Unemployment Rate - BC *(percent)*	7.6	7.4
Unemployment Rate - Canada *(percent)*	8.4	8.0
INTEREST RATES (percent)	Jun 10/09	Jun 11/08
Prime Business Rate	2.25	4.75
Conventional Mortgages - 1 year	3.90	6.15
- 5 year	5.25	6.65
US-CANADA EXCHANGE RATE	Jun 10/09	Jun 11/08
(avg. noon spot rate) Cdn $ per US $	1.0976	1.0145
(closing rate) US $ per Cdn $	0.9022	0.9820
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	May '09	one year ago
BC	790.22	1.6
Canada	795.49	2.3

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Statistical Profiles of Aboriginal Peoples

These profiles provide comparisons of the socio-economic conditions of the Aboriginal populations as well as profiles of Aboriginal groups such as First Nations, Métis, and Status Indians using data available from the 2006 Census. These profiles provide a range of data with particular focus on education and labour market issues.

www.bcstats.gov.bc.ca/data/cen01/abor/ap_main.asp

Socio-Economic Profiles

Revisions for 2008 now available. The profiles consist of charts and tables for the 26 Regional Districts, 86 Local Health Areas, 16 Health Service Delivery Areas, 5 Health Authorities, 8 Development Regions, and 15 College Regions within the Province of British Columbia. Also included are the special geographies of the Georgia, Fraser, and Columbia Basins.

www.bcstats.gov.bc.ca/data/sep/choose.asp

BC Economic Accounts

With this release from Statistics Canada, preliminary estimates have been made for 2008 without revisions to previous years. BC gross domestic product (GDP), personal income, final domestic demand and trade flow data have been updated on our website.

www.bcstats.gov.bc.ca/data/bus_stat/econ_acct.asp

Released this week by BC Stats

- Exports, April 2009

Next week

- Quarterly Regional Statistics, 1st Quarter 2009
- Tourism Room Revenue, May 2009
- Consumer Price Index, May 2009

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